

7/14/03 DRAFT

IMPLEMENTING AGREEMENT

for

HYUNDAI MOTOR AMERICA AND
THE CITY OF CALIFORNIA CITY

for

HYUNDAI AUTOMOTIVE TEST TRACK FACILITY

[*DATE*]

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1.0 PARTIES

The parties to this Implementing Agreement are Hyundai Motor America, the City of California City (“Permittees”), the United States Fish and Wildlife Service (Service), the California Department of Fish and Game (CDFG) and the Desert Tortoise Preserve Committee (DTPC).

2.0 RECITALS AND PURPOSES

2.1 Recitals. The parties have entered into this agreement in consideration of the following facts:

(a) The Hyundai Automotive Test Track Facility site [Facility site] has been determined to provide, or potentially provide, habitat for the following listed species: desert tortoise (*Gopherus agassizii*); and

(b) Permittees have developed a series of measures, described in the habitat conservation plan (HCP), to minimize and mitigate to the maximum extent practicable the effects of take of covered species incidental to Permittees’ covered activities.

2.2 Purposes. The purposes of this agreement are:

(a) To ensure implementation of each of the terms of the HCP;

(b) To describe remedies and recourse should any party fail to perform its obligations as set forth in this agreement; and,

(c) To provide assurances to Permittees that, pursuant to the “No Surprises” regulations, as long as the terms of the HCP, the permit, and this agreement are performed, no additional mitigation will be required of Permittees, with respect to covered species, except as provided for in this agreement or required by law.

3.0 DEFINITIONS

The following terms as used in this agreement will have the meanings set forth below:

3.1 Terms defined in Endangered Species Act. Terms used in this agreement and specifically defined in the Endangered Species Act (ESA) or in regulations adopted by the Service under the ESA have the same meaning as in the ESA and those implementing regulations, unless this agreement expressly provides otherwise.

3.2 “Changed circumstances” means changes in circumstances affecting a species or the geographic area covered by the HCP that can reasonably be anticipated by the parties to the HCP and that can reasonably be planned for in the HCP (e.g. the listing of a new species, or a fire or other natural catastrophic event in areas prone to such event.) Changed circumstances and the planned responses to those circumstances are described in Chapter 9 of the HCP. Changed

circumstances are not Unforeseen Circumstances.

3.3 “Covered activities” means certain activities carried out by Permittee on covered lands that may result in incidental take of covered species. Covered activities means the following activities: all activities related to development and operation of the proposed Hyundai automotive test track facility on the proposed project site; all activities related to construction and operation of the proposed access road from State Highway 58 to the project site; and all activities related to construction and operation of the proposed water line and expansion of Joshua Tree Boulevard to serve the proposed project.

3.4 “Covered lands” means the lands upon which the permit authorizes incidental take of covered species and the lands to which the HCP's conservation and mitigation measures apply. These lands are described in Chapter 4 of the HCP.

3.5 “Covered species” means the desert tortoise, which the HCP addresses in a manner sufficient to meet all of the criteria for issuing an incidental take permit under ESA § 10(a)(1)(B).

3.6 “HCP” means the habitat conservation plan prepared by Permittees for the Facility site.

3.7 “Permit” means the incidental take permit issued by the Service to Permittees pursuant to Section 10(a)(1)(B) of the ESA for take incidental to covered activities on the Facility site, as it may be amended from time to time.

3.8 “Permittees” means Hyundai Automotive Technical Center, Inc. and the City of California City.

3.9 “Unforeseen circumstances” means changes in circumstances affecting a species or geographic area covered by the HCP that could not reasonably have been anticipated by plan developers and the Service at the time of the HCP's negotiation and development, and that result in a substantial and adverse change in the status of the covered species.

4.0 OBLIGATIONS OF THE PARTIES

4.1 Obligations of Permittees. Permittees will fully and faithfully perform all obligations assigned to them under this agreement, the permit, and the HCP.

4.2 Obligations of the Service. Upon execution of this agreement by all parties, and satisfaction of all other applicable legal requirements, the Service will issue Permittees a permit under Section 10(a)(1)(B) of the ESA, authorizing incidental take by Permittees of each listed covered species resulting from covered activities on covered lands.

4.2.1 Permit coverage. The permit identifies all covered species and will take effect for covered species at the time the permit is issued.

4.2.2 “No surprises” assurances. Provided that Permittees have complied with their obligations under the HCP, this agreement, and the permit, the Service can require Permittees to provide mitigation beyond that provided for in the HCP only under unforeseen circumstances, in accordance with the “no surprises” regulations at 50 C.F.R. §§ 17.22(b)(5), 17.32(b)(5).

4.3 Obligations of CDFG. Upon execution of this agreement by all parties, and satisfaction of all other applicable legal requirements, CDFG will issue Permittees a consistency determination pursuant to Section 2080.1 of the California Endangered Species Act (CESA), authorizing incidental take by Permittees of desert tortoise resulting from covered activities on covered lands. CDFG also will issue Permittees an incidental take permit pursuant to Section 2081 of CESA, authorizing incidental take by Permittees of Mohave ground squirrel resulting from covered activities on covered lands.

4.4 Obligations of DTPC. Upon execution of this agreement by all parties, and satisfaction of all other applicable legal requirements, DTPC will comply with the terms and conditions of the HCP, including without limitation, the Management Agreement by and among Hyundai Motor America, City of California City, and Desert Tortoise Preserve Committee, Inc. and California Department of Fish and Game and U.S. Fish and Wildlife Service regarding Desert Tortoise Habitat Acquisition, Enhancement, and Management (Appendix I to the HCP); and the Land Acquisition Plan (Appendix H to the HCP).

4.5 Interim obligations upon a finding of unforeseen circumstances. If the Service makes a finding of unforeseen circumstances, during the period necessary to determine the nature and location of additional or modified mitigation, Permittees will avoid contributing to appreciably reducing the likelihood of the survival and recovery of the affected species.

5.0 INCORPORATION OF HCP

The HCP and each of its provisions and appendices are intended to be, and by this reference are, incorporated herein. In the event of any direct contradiction between the terms of this agreement and the HCP, the terms of this agreement will control. In all other cases, the terms of this agreement and the terms of the HCP will be interpreted to be supplementary to each other.

6.0 TERM

6.1 Initial Term. This agreement and the HCP will become effective on the date that the Service issues the permit. This agreement, the HCP, and the permit will remain in effect for a period of 30 years from issuance of the original permit, except as provided below.

6.2 Permit suspension or revocation. The Service may suspend or revoke the permit for cause in accordance with the laws and regulations in force at the time of such suspension or revocation (See 5 U.S.C. § 558; 50 C.F.R. §§ 13.27 - 13.29, 17.22(b)(8), 17.32(b)(8)). Such suspension or revocation may apply to the entire permit, or only to specified

covered lands or covered activities. In the event of suspension or revocation, Permittees' obligations under this agreement and the HCP will continue until the Service determines that all take of covered species that occurred under the permit has been fully mitigated in accordance with the HCP.

6.3 Extension of the permit. Upon agreement of the parties and compliance with all applicable laws, the permit may be extended beyond its initial term under regulations of the Service in force on the date of such extension. If Permittees desire to extend the permit, they will so notify the Service at least 180 days before the then-current term is scheduled to expire. Extension of the permit constitutes extension of the HCP and this agreement for the same amount of time, subject to any modifications that the Service may require at the time of extension.

7.0 FUNDING

Permittees warrant that they have, and will expend, such funds as may be necessary to fulfill their obligations under the HCP. Permittees will promptly notify the Service of any material change in Permittees' financial ability to fulfill their respective obligations. In addition to providing any such notice, Permittees will provide the Service with a copy of their respective annual report(s) each year of the permit, or with such other reasonably available financial information that the parties agree will provide adequate evidence of Permittees' ability to fulfill their respective obligations.

8.0 MONITORING AND REPORTING

8.1 Planned periodic reports. As described in the HCP, Permittees will submit periodic reports describing their activities and results of the monitoring program provided for in the HCP.

8.2 Other reports. Permittees will provide, within 30 days of being requested by the Service, any additional information in their possession or control related to implementation of the HCP that is requested by the Service for the purpose of assessing whether the terms and conditions of the permit and the HCP, including the HCP's adaptive management plan, are being fully implemented.

8.3 Certification of reports. All reports will include the following certification from a responsible company official who supervised or directed preparation of the report:

I certify that, to the best of my knowledge, after appropriate inquiries of all relevant persons involved in the preparation of this report, the information submitted is true, accurate, and complete.

8.4 Monitoring by Service. The Service may conduct inspections and monitoring in connection with the permit in accordance with its regulations. (See 50 C.F.R. § 13.47)

9.0 CHANGED CIRCUMSTANCES

9.1 Permittee-initiated response to changed circumstances. Permittees will give notice to the Service within seven days after learning that any of the changed circumstances listed in Chapter 9 of the HCP has occurred. As soon as practicable thereafter, but no later than 30 days after learning of the changed circumstances, Permittees will modify their activities in the manner described in Chapter 9 of the HCP, to the extent necessary to mitigate the effects of the changed circumstances on covered species, and will report to the Service on their actions. Permittees will make such modifications without awaiting notice from the Service.

9.2 Service-initiated response to changed circumstances. If the Service determines that changed circumstances have occurred and that Permittees have not responded in accordance with Chapter 9 of the HCP, the Service will so notify Permittees and will direct Permittees to make the required changes. Within 30 days after receiving such notice, Permittees will make the required changes and report to the Service on their actions. Such changes are provided for in the HCP, and hence do not constitute unforeseen circumstances or require amendment of the permit or HCP.

9.3 Listing of species that are not covered species. In the event that a non-covered species that may be affected by covered activities becomes listed under the ESA, Permittees will implement the “no take/no jeopardy/no adverse modification” measures identified by the Service until the permit is amended to include such species, or until the Service notifies Permittees that such measures are no longer needed to avoid jeopardy to, take of, or adverse modification of the critical habitat of, the non-covered species.

10.0 ADAPTIVE MANAGEMENT

10.1 Permittee-initiated adaptive management. Permittees will implement the adaptive management provisions in Chapter 7 of the HCP, when changes in management practices are necessary to achieve the HCP’s biological objectives, or to respond to monitoring results or new scientific information. Permittees will make such changes without awaiting notice from the Service, and will report to the Service on any actions taken pursuant to this section.

10.2 Service-initiated adaptive management. If the Service determines that one or more of the adaptive management provisions in the HCP have been triggered and that Permittees have not changed their management practices in accordance with Chapter 7 of the HCP, the Service will so notify Permittees and will direct Permittees to make the required changes. Within 30 days after receiving such notice, Permittees will make the required changes and report to the Service on their actions. Such changes are provided for in the HCP, and hence do not constitute unforeseen circumstances or require amendment of the permit or HCP, except as provided in this section.

10.3 Reductions in mitigation. Permittees will not implement adaptive management changes that may result in less mitigation than provided for covered species under the original terms of the HCP, unless the Service first provides written approval. Permittees may propose

any such adaptive management changes by notice to the Service, specifying the adaptive management modifications proposed, the basis for them, including supporting data, and the anticipated effects on covered species, and other environmental impacts. Within 120 days of receiving such a notice, the Service will either approve the proposed adaptive management changes, approve them as modified by the Service, or notify Permittees that the proposed changes constitute permit amendments that must be reviewed under Section 12.2 of this agreement.

10.4 No increase in take. This section does not authorize any modifications that would result in an increase in the amount and nature of take, or increase the impacts of take, of covered species beyond that analyzed under the original HCP and any amendments thereto. Any such modification must be reviewed as a permit amendment under Section 12.2 of this agreement.

11.0 LAND TRANSACTIONS

Nothing in this agreement, the HCP, or the permit limits Permittees' rights to acquire additional lands. Any lands that may be acquired will not be covered by the permit except upon amendment of the permit as provided in Section 12.2 of this agreement.

12.0 MODIFICATIONS AND AMENDMENTS

12.1 Minor modifications.

(a) Any party may propose minor modifications to the HCP or this agreement by providing notice to all other parties. Such notice shall include a statement of the reason for the proposed modification and an analysis of its environmental effects, including its effects on operations under the HCP and on covered species. The parties will use reasonable efforts to respond to proposed modifications within 60 days of receipt of such notice. Proposed modifications will become effective upon all other parties' written approval. If, for any reason, a receiving party objects to a proposed modification, it must be processed as an amendment of the permit in accordance with subsection 12.2 of this section. The Service will not propose or approve minor modifications to the HCP or this agreement if the Service determines that such modifications would result in operations under the HCP that are significantly different from those analyzed in connection with the original HCP, adverse effects on the environment that are new or significantly different from those analyzed in connection with the original HCP, or additional take not analyzed in connection with the original HCP.

(b) Minor modifications to the HCP and IA processed pursuant to this subsection may include but are not limited to the following:

- (1) corrections of typographic, grammatical, and similar editing errors that do not change the intended meaning;
- (2) correction of any maps or exhibits to correct minor errors in

mapping or to reflect previously approved changes in the permit or HCP; and

(3) minor changes to survey, monitoring or reporting protocols.

(c) Any other modifications to the HCP or IA will be processed as amendments of the permit in accordance with subsection 12.2 of this section.

12.2 Amendment of the Permit. The permit may be amended in accordance with all applicable legal requirements, including but not limited to the ESA, the National Environmental Policy Act, and the Service's permit regulations. The party proposing the amendment shall provide a statement of the reasons for the amendment and an analysis of its environmental effects, including its effects on operations under the HCP and on covered species.

13.0 REMEDIES, ENFORCEMENT, AND DISPUTE RESOLUTION

13.1 In general. Except as set forth below, each party shall have all remedies otherwise available to enforce the terms of this agreement, the permit, and the HCP.

13.2 No monetary damages. No party shall be liable in damages to any other party or other person for any breach of this agreement, any performance or failure to perform a mandatory or discretionary obligation imposed by this agreement or any other cause of action arising from this agreement.

13.3 Injunctive and temporary relief. The parties acknowledge that the covered species is unique and its loss as a species would result in irreparable damage to the environment, and that therefore injunctive and temporary relief may be appropriate to ensure compliance with the terms of this agreement.

13.4 Enforcement authority of the United States. Nothing contained in this agreement is intended to limit the authority of the United States government to seek civil or criminal penalties or otherwise fulfill its enforcement responsibilities under the ESA or other applicable law.

13.5 Dispute resolution. The parties recognize that disputes concerning implementation of, compliance with, or termination of this agreement, the HCP, and the permit may arise from time to time. The parties agree to work together in good faith to resolve such disputes, using the informal dispute resolution procedures set forth in this section, or such other procedures upon which the parties may later agree. However, if at any time any party determines that circumstances so warrant, it may seek any available remedy without waiting to complete informal dispute resolution.

13.5.1 Informal dispute resolution process. Unless the parties agree upon another dispute resolution process, or unless an aggrieved party has initiated administrative proceedings or suit in federal court as provided in this section, the parties may use the following process to attempt to resolve disputes:

(a) The aggrieved party will notify the other parties of the provision that may have been violated, the basis for contending that a violation has occurred, and the remedies it proposes to correct the alleged violation.

(b) The party alleged to be in violation will have 30 days, or such other time as may be agreed, to respond. During this time it may seek clarification of the information provided in the initial notice. The aggrieved party will use reasonable efforts to provide any information then available to it that may be responsive to such inquiries.

(c) Within 30 days after such response was provided or was due, representatives of the parties having authority to resolve the dispute will meet and negotiate in good faith toward a solution satisfactory to all parties, or will establish a specific process and timetable to seek such a solution.

(d) If any issues cannot be resolved through such negotiations, the parties will consider non-binding mediation and other alternative dispute resolution processes and, if a dispute resolution process is agreed upon, will make good faith efforts to resolve all remaining issues through that process.

14.0 MISCELLANEOUS PROVISIONS

14.1 No partnership. Neither this agreement nor the HCP shall make or be deemed to make any party to this agreement the agent for or the partner of any other party.

14.2 Notices. Any notice permitted or required by this agreement shall be in writing, delivered personally, or by overnight mail, to the persons listed below, or shall be deemed given five (5) days after deposit in the United States mail, certified and postage prepaid, return receipt requested and addressed as follows, or at such other address as any party may from time to time specify to the other parties in writing. Notices may be delivered by facsimile or other electronic means, provided that they are also delivered personally or by overnight or certified mail. Notices shall be transmitted so that they are received within the specified deadlines.

Deputy Manager
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City of California City
(Mr. Jack Stewart)
21000 Hacienda Blvd.
California City, CA 93505
Telephone:

California Department of Fish and Game
Robert C. Hight, Director
1416 Ninth St.
Sacramento, CA 95814
Tel.: (916) 653 7664

Desert Tortoise Preserve Committee
President of the Board
4067 Mission Inn Avenue
Riverside, CA 92501

with a copy to its authorized representative:

Nonprofit Counsel, Inc.
Attn: Jun Y. Lee
10311 Regency Station Drive
Fairfax Station, VA 22039

14.3 Entire agreement. This agreement, together with the HCP and the permit, constitutes the entire agreement among the parties. It supersedes any and all other agreements, either oral or in writing, among the parties with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each party acknowledges that no representation, inducement, promise or agreement, oral or otherwise, has been made by any other party or anyone acting on behalf of any other party that is not embodied herein.

14.4 Elected officials not to benefit. No member of or delegate to Congress shall be entitled to any share or part of this agreement, or to any benefit that may arise from it.

14.5 Availability of funds. Implementation of this agreement and the HCP by the Service is subject to the requirements of the Anti-Deficiency Act and the availability of appropriated funds. Nothing in this agreement will be construed by the parties to require the obligation, appropriation, or expenditure of any money from the U.S. Treasury. The parties acknowledge that the Service will not be required under this agreement to expend any federal agency's appropriated funds unless and until an authorized official of that agency affirmatively acts to commit to such expenditures as evidenced in writing.

14.6 Duplicate originals. This agreement may be executed in any number of duplicate originals. A complete original of this agreement shall be maintained in the official records of each of the parties hereto.

14.7 No third-party beneficiaries. Without limiting the applicability of rights granted to the public pursuant to the ESA or other federal law, this agreement shall not create any right or interest in the public, or any member thereof, as a third-party beneficiary hereof, nor shall it authorize anyone not a party to this agreement to maintain a suit for personal injuries or damages pursuant to the provisions of this agreement. The duties, obligations, and responsibilities of the parties to this agreement with respect to third parties shall remain as imposed under existing law.

14.8 Relationship to the ESA and other authorities. The terms of this agreement shall be governed by and construed in accordance with the ESA and applicable federal law. In particular, nothing in this agreement is intended to limit the authority of the Service to seek penalties or otherwise fulfill their responsibilities under the ESA. Moreover, nothing in this agreement is intended to limit or diminish the legal obligations and responsibilities of the Service as an agency of the federal government. Nothing in this agreement will limit the right or obligation of any federal agency to engage in consultation required under Section 7 of the ESA or other federal law; however, it is intended that the rights and obligations of Permittees under the HCP and this agreement will be considered in any consultation affecting Permittees' use of the covered lands.

14.9 References to regulations. Any reference in this agreement, the HCP, or the permit to any regulation or rule of the Service shall be deemed to be a reference to such regulation or rule in existence at the time an action is taken.

14.10 Applicable laws. All activities undertaken pursuant to this agreement, the HCP, or the permit must be in compliance with all applicable state and federal laws and regulations.

14.11 Successors and assigns. This agreement and each of its covenants and conditions shall be binding on and shall inure to the benefit of the parties and their respective successors and assigns. Assignment or other transfer of the permit shall be governed by the Service's regulations in force at the time.

IN WITNESS WHEREOF, THE PARTIES HERETO have executed this Implementing Agreement to be in effect as of the date that the Service issues the permit.

BY

Deputy Manager
United States Fish and Wildlife Service
California/Nevada Operations Office
Sacramento, California

Date _____

BY _____

BY _____
Mr. Finbarr O'Neill
Hyundai Motor America

Date _____

BY _____
Mr. Jack Stewart
City of California City

Date _____

BY _____
Mr. Robert C. Hight, Director
California Department of Fish and Game

Date _____

BY _____
President of the Board
Desert Tortoise Preserve Committee

Date _____